



Key Figures

Operating income

+9.4%



Pre-tax profit, in CHF

7.0 million



New customers

+6.9%



Available mobile payment solutions:
Apple Pay, Garmin Pay, Google Pay, Fitbit Pay,
Samsung Pay, SwatchPAY!

6



Card turnover

+6.1%



Transactions

+23.8%



Average number of full-time positions
during the year

85.1



Share of e-commerce transactions

45.2%



Number of distribution partners in Switzerland,
Liechtenstein and Germany

211



Number of app downloads at the end of the year
under review

321,417



Swiss Bankers Prepaid Services Group

Foreword	4
About Us	6
Company Governing Bodies and Organisational Chart	8
Board of Directors	9
Management	10
Key Prudential Metrics (KM1)	12
Management Report	14
Consolidated Balance Sheet	16
Consolidated Income Statement	17
Consolidated Cash Flow Statement	18
Consolidated Statement of Changes in Equity	19
Notes	20
Report of the Statutory Auditor on the Consolidated Financial Statements	34

Swiss Bankers Prepaid Services Ltd, Grosshöchstetten

Balance Sheet	38
Income Statement	39
Statement of Changes in Equity	40
Notes	42
Report of the Statutory Auditor on the Financial Statements	48

Swiss Bankers Prepaid Services (Liechtenstein) Ltd, Vaduz

Company Governing Bodies	52
Annual Report	53
Balance Sheet	54
Income Statement	55
Notes	56
Report of the Statutory Auditor on the Financial Statements	62

Dear customers, shareholders and employees

Swiss Bankers can proudly report that last year was its strongest year of growth in the past decade. Card turnover stood at CHF 989 million, an increase of 6.1% over the previous year. Both business divisions – Prepaid and Money Send – contributed to this welcome development by posting significant growth. Operating income amounted to CHF 31.2 million – an increase of 9.4% over the previous year. After-tax net profit of CHF 5.5 million was at the same level as in the previous year as a result of the further expansion of digitalisation in the Prepaid and Money Send business divisions. At the end of 2019, Swiss Bankers had 588,034 card customers and 210'632 banknote customers, meaning that the customer portfolio in both business divisions grew by 6.9% and 3.5%, respectively. At the same time, the sales network was expanded from 200 to 211 sales partners.

Important milestones during the year under review included issuing a purely digital version of Mastercard Prepaid, launching the global money transfer service “Send”, and continuing to enhance the Swiss Bankers “My Card” app with useful, innovative features for customers. We achieved an important step in the area of Travel Cash with the Hotelcard partnership. Since the summer of 2019, these two offers have been available jointly in the area of travel. All holders of Swiss Bankers Travel Cash cards can now make reservations at more than 600 hotels in Switzerland and neighbouring countries at a discount.

The success of our products and services shows that Swiss Bankers carried out its transformation at the right time. The digital card that was introduced in February 2019 now has roughly 10,000 users. It meets customer needs by offering a high degree of convenience, simplicity, security, and mobility. This is also the case with the “Send” service, which was launched in December. It is the first service of its kind in the world to offer card-based and non-account-linked peer-to-peer money transfers in the Mastercard network throughout the world. In view of its successful portfolio of prepaid card services, Swiss Bankers has decided to tap into card-based money transfers as a complementary business area, as it represents a logical step with great potential.

All of our efforts in the digital area are subject to rapidly changing times and technologies. In 2020 we will continue with ongoing improvements to all of our services, with the focus being on continually simplifying our products and services while retaining a high level of security. Examples include digitally identifying new customers, making it even easier to top up our prepaid card, and providing round-the-clock access to the most important types of support for our products.

As part of the revised positioning of Swiss Bankers, we will be modernising and sharpening our brand image in 2020. Our new image will combine our current strengths and values with the innovative power of the future. The new brand promise forms the core of our market positioning and the basis for the modernised design: “Innovative payment solutions that simplify life and connect with the future”.

Swiss Bankers is the world's first provider to combine global money transfers and prepaid cards in the Mastercard network in one app.



Bernard Burkhalter (Chairman of the Board of Directors) and Hans-Jörg Widiger (CEO)

We are convinced that this will enable Swiss Bankers to remain at the forefront of innovative Swiss prepaid card issuers.

On behalf of the Board of Directors and the management, I would like to thank our customers, as well as all sales partners and shareholders. Thank you for your trust, your loyalty and your unwavering commitment. Special thanks are also owed to the true drivers behind our innovative power during this period of change: our employees, who each and every day give their utmost commitment to astutely expand Swiss Bankers' leading position in Switzerland as a prepaid card provider.

A handwritten signature in black ink, appearing to read 'B. Burkhalter'.

Bernard Burkhalter

Chairman of the Board of Directors
Swiss Bankers Prepaid Services Ltd

44 years of SBPS – Our milestones

The Swiss Bankers Traveller's Cheque Centre was founded in 1975 for the purpose of issuing Swiss Bankers traveller's cheques. The company's legal form was changed in 2008, and it has been operating as a joint-stock company under the name Swiss Bankers Prepaid Services Ltd (SBPS) ever since. SBPS received a bank licence in 2011. In 2012 we formed the subsidiary Swiss Bankers Prepaid Services (Liechtenstein) Ltd (SBPS FL), which is responsible for sales in Liechtenstein and other foreign markets. In 2017 Swiss Bankers revised its strategy to focus rigorously on digitalisation. In the spring of 2020, Swiss Bankers will be broadly revamping of its brand. The remake covers a modernised company logo, the entire brand image, and the product architecture and design. This will give Swiss Bankers a contemporary, forward-looking image that combines the company's trusted values with its leading innovative power throughout Switzerland.

The product that produces the highest turnover is the Swiss Bankers Travel Cash card. This prepaid card can be loaded with Swiss francs, euros or US dollars and used at roughly 52 million Mastercard points of acceptance worldwide, as well as in the areas of e-commerce and m-commerce, as a direct method of payment in classic card form or as a digital card, e.g. on a smartphone or a smartwatch. If the card is lost or stolen, a replacement card can be immediately obtained worldwide at no charge. Travel Cash is the leading prepaid card in Switzerland and is available from most banks, PostFinance, and SBB. It can be easily loaded at any time by visiting a sales partner, as well as on the Swiss Bankers website or by using the "My Card" app.

The product with the second highest amount of turnover is Mastercard Prepaid. It is a universal prepaid credit card that can be used worldwide just like any other credit card. Because the card is prepaid, absolute cost control and a very high level of security are assured: the card can be charged only if funds have been loaded on to it. Mastercard Prepaid is thus the perfect solution for all customers who wish to make common payments based on their card balance while taking advantage of the benefits of an internationally accepted card – whether at POS locations, ATMs, in e- or m-commerce, or at roughly 52 million Mastercard points of acceptance worldwide. The Mastercard Prepaid card and its purely digital counterpart without physical plastic, Mastercard Prepaid Digital, which was introduced in 2019, can be used with nearly all available mobile payment offers. Mastercard Prepaid can be purchased from sales partners in Switzerland as well as directly on the SBPS website. The digital card is available solely online and in the app. There are a number of ways to load both cards.

In addition, SBPS issues Mastercard prepaid cards for Credit Suisse (Switzerland) Ltd, Sparkasse Hochrhein (Germany) and Volksbank Hochrhein (Germany). The cards of Credit Suisse (Switzerland) Ltd and Sparkasse Hochrhein (Germany) bear the design and branding of the respective bank.

For customers who require higher limits, Swiss Bankers offers the Prime Card. It can be obtained from many private banks in Switzerland.

The Value Card is the simple solution for companies that need to disburse funds to employees and customers. For instance, it is used by SWISS airline to make compensation payments to passengers.

Furthermore, SBPS operates a home delivery service for supplying banknotes in more than 70 currencies to customers of many Swiss banks. Orders are electronically recorded at each bank's business office or call centre and then transmitted to Swiss Bankers. The banknotes are delivered directly to bank customers within 24 hours.

In December 2019, Swiss Bankers launched "Send", an innovative service for sending money. Customers now have the unique ability – the world's first – to send money to any Mastercard on a peer-to-peer basis without being linked to a bank account. In addition, money can also be sent to bank accounts, e-wallets and cash disbursement points. Country and service networks are being continuously expanded, thus making it more attractive by the month.

The "My Card" app has been a fixed component of the Swiss Bankers product offering since 2016. As a result of enhancements in the area of functionality, it has become the most important channel for communicating and interacting with customers. The "My Card" app is available as a free download for smartphones and offers an overview of card top-ups, expenditures and cash withdrawals at all times. In addition, customers can use the app to block or unblock their card either completely or just for selected countries or particular types of purchases. An enhancement in 2019 was the (biometrically secured) display of the PAN (16-digit card number) for use in e-commerce, as well as the ability to change the PIN. In addition, customers can top up their cards directly in the app.

Swiss Bankers has also created the Prepaid Cards app of Credit Suisse (Switzerland) Ltd in the bank's design and with its branding.



Sustainable

We have a stable position and benefit from decades of experience. We act in a sustainable manner, both in our business model and with our products.

Company Governing Bodies and Organisational Chart

Shareholders

Association of Swiss Cantonal Banks
 Credit Suisse (Switzerland) Ltd
 Entris Banking Ltd
 Raiffeisen Switzerland Cooperative
 PostFinance Ltd

Board of Directors

Bernard Burkhalter, Chairman
 Adrian Töngi, Deputy Chairman
 Katharina Wehrli (until 31 December 2019)
 Markus Locher (from 27 March 2020)*
 Hans Ulrich Bacher
 Nicole Walker
 Christoph Meister**
 Peter Held**

* Subject to election at the General Meeting of 27 March 2020
 ** Independent members in accordance with FINMA Circular 17/1

Management

Hans-Jörg Widiger, CEO
 Sascha Breite
 Simone Fischer
 Dirk Blumenthal
 Martin Holzer (until 31 March 2020)
 George Isliker (from 1 April 2020)

External Auditor

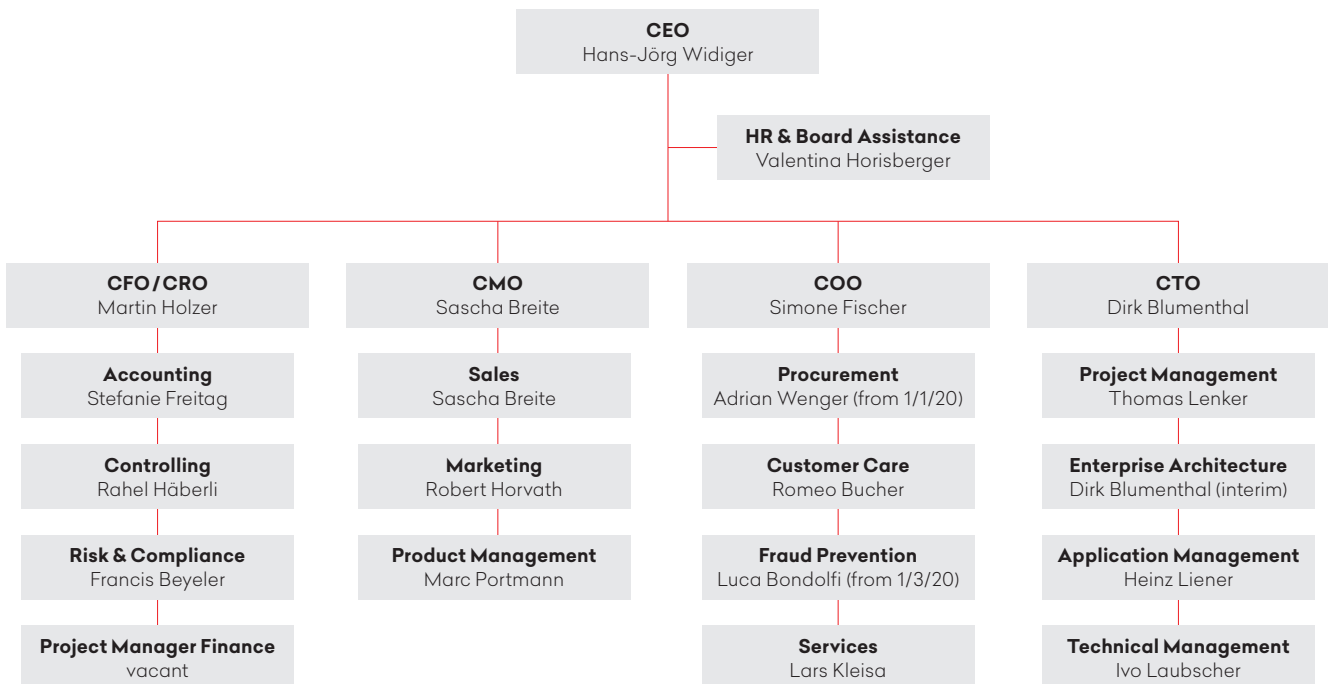
Ernst & Young Ltd
 3001 Berne
 Switzerland

Registered Office

Swiss Bankers Prepaid Services Ltd
 Kramgasse 4
 3506 Grosshöchstetten
 Switzerland
 Phone +41 31 710 11 11
 info@swissbankers.ch

In the 2019 financial year, 115 employees handled the development, processing, distribution, and servicing of prepaid cards, as well as the home delivery of travel cash.

The organisational chart below is valid as of 31 December 2019.



Board of Directors

Chairman

Bernard Burkhalter

Occupation: Management, supervision and handling of BEKB bank mandates and projects, member of the BEKB/BCBE management

Education: Apprenticeship in the banking sector, Federal Diploma in Banking, Diploma in Business Administration from KSZ, Diploma from Swiss Banking School, Diploma from SKU (Swiss business management course), Certificate from Duke University (USA), Fuqua School of Business, Executive Education Advanced Management Program

Committee: Member of the Remuneration Committee

Term of office: Until the 2020 GM

Deputy Chairman

Adrian Töngi

Occupation: Head of Banking Operations & Quality Assurance at Raiffeisen Switzerland Cooperative

Education: Diploma in Banking, Executive Programme of the Swiss Finance Institute, Zurich

Committee: Member of the Remuneration Committee

Term of office: Until the 2022 GM

Member

Hans Ulrich Bacher

Occupation: CRO and member of the management of Entris Banking Ltd

Education: PhD in Economics from the University of Lausanne (HEC), Master's in Economics from the London School of Economics

Committee: Chairman of the Audit and Risk Committee

Term of office: Until the 2020 GM

Member

Nicole Walker

Occupation: Head of Digital Banking & Offer Management and in charge of core business digital transformation at PostFinance Ltd

Education: Commercial apprenticeship (bank), marketing planner, product manager, Bachelor of Business Administration, Executive Master of Business Administration Boston/Zurich

Term of office: Until the 2022 GM

Member

Katharina Wehrli

Occupation: Head of Products & Services at Credit Suisse (Switzerland) Ltd

Education: Master of Business Administration from the University of Lausanne

Committee: Member of the Audit and Risk Committee

Term of office: Until 31 December 2019

Independent Member

Christoph Meister

Occupation: Board of Directors mandates at SBPS CH/FL

Education: Diploma in Commerce, degree in Business Administration from HWV, certified public accountant, former partner Ernst & Young Ltd

Committee: Chairman of the Remuneration Committee, member of the Audit and Risk Committee

Term of office: Until the 2022 GM

Independent Member

Peter Held

Occupation: Management consultant with focus on strategy consulting, member of the Board of Directors (additional mandate at Globaz SA, Le Noirmont)

Education: Degree in Economics and Business Administration from HWV Basel, Federal Diploma as Marketing Director, EMBA Financial Services & Insurance

Term of office: Until the 2022 GM

Management



Chairman
Hans-Jörg Widiger
CEO

Education

Diploma in Commerce/lic. oec.: Economics programme at the University of Duisburg (Germany); Senior Executive Program at Harvard Business School, Boston; Senior Executive Program at Columbia Business School, New York



Member
Dirk Blumenthal
CTO

Education

Diploma in Business Organisation, IPMA Level B Certified Senior Project Manager, ITIL Expert



Member
Martin Holzer
CFO/CRO

Education

Bachelor of Science in Business Administration from Bern University of Applied Sciences (BFH)

The disclosure of corporate governance in accordance with FINMA Circular 16/1 is also published on www.swissbankers.ch under the menu item "About Swiss Bankers – Press – Publications".



Member

Simone Fischer

COO

Education

Master of Science in Graphic Arts Publishing from the Rochester Institute of Technology, Rochester (USA); Multimedia Insinööri from the University of Applied Sciences EVTEK, Espoo (FIN); Comem+ Diploma in Print Media Management from the Ecole d'ingénieurs HEIG-VD Comem+, Lausanne (CH)



Member

Sascha Breite

CMO

Education

Master of Business Administration (International Marketing & Innovation)

Key Prudential Metrics (KM1)

(in CHF thousand)

	31/12/2019	31/12/2018
ELIGIBLE CAPITAL		
Common Equity Tier 1 (CET1) capital	87,328	86,802
Tier 1 (T1) capital	87,328	86,802
Total capital	87,328	86,802

RISK-WEIGHTED ASSETS (RWA)

RWA	218,960	203,985
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(in CHF thousand)

	31/12/2019	31/12/2018
BASEL III LEVERAGE RATIO		
Total exposure	487,181	492,343
Basel III leverage ratio (Tier 1 capital as a percentage of total exposure)	17.9	17.6

(in CHF thousand)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q4 2018
LIQUIDITY COVERAGE RATIO					
LCR numerator: Total high-quality liquid assets	173,028	164,297	167,538	166,294	171,945
LCR denominator: Total net cash outflow	49,702	47,350	44,161	45,556	43,554
Liquidity coverage ratio (LCR), in %	348.1	347.0	379.4	365.0	394.8

The key prudential metrics (KM1) are disclosed in conformity with the FINMA requirements for the pilot project "Small bank regime". There have been no material changes compared with the figures for the prior period.



Innovative

We are innovative, curious and bold. We identify opportunities and implement them into relevant solutions.

Management Report

Average number of full-time positions during the year

In the year under review, the full-time equivalent workforce of the SBPS Group – consisting of Swiss Bankers Prepaid Services Ltd (SBPS) and Swiss Bankers Prepaid Services (Liechtenstein) Ltd (SBPS FL) – averaged 85.1 positions (previous year 71.1).

Risk Assessment

The SBPS Group pursues a sustainable and prudent risk policy. At least once per year, the Board of Directors and the management review the adequacy of the risk limits concept that forms the basis of our risk management. For further information about risk assessment and management by the SBPS Group, please see the notes to the consolidated financial statements.

Products

The Swiss Bankers Travel Cash card is the leading prepaid card in Switzerland. In 2019, our customers used Travel Cash for worldwide payment in shops, restaurants and hotels, as well as in e- and m-commerce. Swiss Bankers Customer Service mailed out more than 14,700 replacement cards – worldwide and free of charge – within at most two days. In the year under review, our sales partners sold approximately 53,000 Travel Cash cards. The partnership with Hotelcard, which was launched in the summer, has become very popular and is making the travel product ever more attractive. This partnership is strengthening the use of Travel Cash in Switzerland and enables our customers to benefit from discounts of up to 50%.

The Mastercard Prepaid card, which was launched in 2015, saw some 40,000 customers load nearly CHF 101.1 million onto their cards. The Mastercard Prepaid Digital, a purely digital card without physical plastic that was launched in 2019, is already being used by roughly 10'000 cardholders.

In 2019 Swiss Bankers had more than 580,000 active cardholders (+6.9%), who made purchases totalling CHF 9.4 million (+24%). In the area of mobile payment, more than 20,000 customers (+83%) used their card. Also, there were 150,000 cash orders – an increase of 11%.

In December 2019, Swiss Bankers launched “Send”, a money transfer service. Our entry into the new business field of money transfers makes it possible for our customers to enjoy a comprehensive payment solution that, in addition to the ability to make POS and e- and m-commerce payments, also enables them to send money. The service is the first of its kind in the world, since it combines the card product with peer-to-peer money transfers in a single solution. With “Send”, customers can send money worldwide to Mastercard cards, bank accounts, e-wallets and cash disbursement points.

Fundamental improvements were made to the “My Card” app, which had more than 311,000 users in 2019. The “My Card” app is available to our customers as an interaction channel for all payment needs involving mobile payments, top-ups, money transfers, transaction information, balance enquiries, blockings, etc. The payment process is made secure through an integrated interface to all common mobile payment wallets, such as Apple Pay, Google Pay, and Samsung Pay. This architecture creates wide-ranging availability, superb convenience, and the greatest possible security for our customers.

Fraud prevention

In recent years, SBPS has made continual progress in monitoring and preventing fraudulent transactions through a variety of measures. In the year under review, we were able to reduce year-over-year losses due to fraud for the fifth consecutive year.

Marketing

Marketing was bolstered during the year with additional experts. Since the spring of 2019, we have been running disruptive micro-campaigns for the digital card: display ads, collaborations with influencers and product branding, such as with an energy drink. We are very satisfied with the success of the campaign so far, which has currently generated about 10,000 digital cardholders. The campaign has targeted young, digitally savvy consumers in particular, and Swiss Bankers has successfully made them aware of the new product's ease, security and broad range of use.

The partnership between Travel Cash and Hotelcard resulted in numerous activities in the areas of marketing, PR and content. Right next to the SBB ticket window sales channel, a large hotel reception with the Travel Cash and Hotelcard logos towered in the hall of Zurich Central Station for several days. In addition to this campaign, the same logos made their way through Zurich and Bern on trams over a three-month period.

Because of the mentioned functional enhancements, and as a result of the launch of the digital card, the “My Card” app has seen a noticeable upswing. Through new in-app communication options, it is becoming a very important, future-oriented channel for interacting with customers.

Turnover

In 2019, the equivalent of CHF 854.4 million was loaded onto Swiss Bankers prepaid cards, which corresponds to an increase of 3.8% compared with the previous year. The trends in load volume varied from market segment to market segment. Retail banking turnover increased by 9.6%, while that from private banking declined by 6.7%. Turnover trends also varied depending on the specific card currency. Turnover in Swiss francs increased, but euro and US dollar turnover fell. Turnover from the home delivery of banknotes in foreign currency rose by 22.9% to CHF 134.4 million.

The Mastercard Prepaid Digital, a purely digital card without physical plastic that was launched in 2019, is already being used by roughly 10'000 cardholders.

Annual profit

The result from interest operations is influenced, on the one hand, by the change in unused balances on prepaid cards in Swiss francs, euros and US dollars and unredeemed traveller's cheques in Swiss francs (float) and, on the other, by the interest earned on newly liquidated assets. The float, which is invested in the relevant currency in bonds, medium-term notes, call and fixed-term deposits as well as in current accounts, fell by 1.8% to CHF 385 million. Net interest income amounted to CHF 2.7 million, which was equal to the figure for the previous year. The portfolio's average rate of return as at 31 December 2019 rose to 0.75% (previous year: 0.74%).

The result from commission business and services increased by 5.1% year-over-year to CHF 13.3 million. The increase resulted from higher turnover in the retail segment in general and, in particular, from new card products and greater demand for cash delivery.

The result from trading activities includes the net foreign exchange gain from the issuance of prepaid cards as well as from the delivery of cash in more than 70 currencies. It amounted to CHF 14.7 million in the year under review (+15.0% year-over-year) and resulted mainly from currency gains on card transactions abroad and banknote trade.

Personnel expenses and general and administrative expenses rose year-over-year by 13.6% and 11.0%, respectively, as a result of turnover and customer growth, the internal addition of call-centre and expert staff positions, and the temporary use of third-parties services.

Depreciation and amortisation increased from CHF 2.0 million to CHF 3.1 million in the year under review. The change is attributable, on the one hand, to the pro-rata depreciation of the enterprise resource planning (ERP) system update introduced on 1 January 2017 and, on the other, to the enhancement of the SBPS Group's system landscape.

This resulted in consolidated after-tax profit of CHF 5.5 million, which was at the level of the previous year. It includes the creation of additional reserves for general banking risks (GBR reserves) in the amount of CHF 0.5 million. The GBR reserve pool, which has risen to CHF 4.8 million, was created as a precaution to hedge against risks associated with Swiss Bankers business operations.

Appropriation of profit

The Board of Directors will propose to the General Meeting on 27 March 2020 that a dividend of CHF 5 million be distributed to the shareholders.

Board of Directors

Last year the Board of Directors held four regular meetings, one extraordinary meeting and one strategy meeting.

Katharina Wehrli stepped down from the Board of Directors on 31 December 2019. Markus Locher will be nominated for election to the Board of Directors at the General Meeting on 27 March 2020.

Management

There were no changes to the management during the year under review. On 31 March 2020, Martin Holzer will leave the management and be replaced by George Isliker from 1 April 2020.

Consolidated Balance Sheet

(in CHF thousand)

	31/12/2019	31/12/2018
ASSETS		
Liquid assets	94,282	83,488
Amounts due from banks	119,368	149,086
Amounts due from customers	6,064	6,310
Financial investments	245,868	233,236
Accrued income and prepaid expenses	1,795	1,429
Tangible fixed assets	11,827	10,716
Other assets	5,811	5,897
Total assets	485,015	490,162
LIABILITIES		
Amounts due to banks	920	612
Amounts due in respect of customer deposits	385,230	392,205
Accrued expenses and deferred income	2,749	3,031
Other liabilities	2,575	1,786
Provisions	200	200
Reserves for general banking risks	4,800	4,300
Share capital	10,000	10,000
Capital reserve	9,116	9,116
Retained earnings reserve	63,912	63,386
Consolidated profit	5,513	5,526
Total liabilities	485,015	490,162
OFF-BALANCE-SHEET TRANSACTIONS		
Irrevocable commitments	4,332	4,362

Consolidated Income Statement

(in CHF thousand)

	2019	2018
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	587	742
Interest and dividend income from financial investments	2,130	1,979
Interest expense	-2	-3
Gross result from interest operations	2,715	2,718
Changes in value adjustments for default risks and losses from interest operations	-35	0
Subtotal net result from interest operations	2,680	2,718
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from other services	25,825	23,181
Commission expense	-12,547	-10,548
Subtotal result from commission business and services	13,278	12,633
RESULT FROM TRADING ACTIVITIES	14,744	12,816
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from real estate	78	81
Other ordinary income	503	291
Other ordinary expenses	-91	0
Subtotal other result from ordinary activities	490	372
OPERATING INCOME	31,192	28,539
OPERATING EXPENSES		
Personnel expenses	-12,277	-10,805
General and administrative expenses	-7,877	-7,096
Subtotal operating expenses	-20,154	-17,901
GROSS PROFIT	11,038	10,638
Depreciation of tangible fixed assets	-3,091	-2,029
Changes to provisions and other value adjustments, and losses	-484	-540
OPERATING RESULT	7,463	8,069
Extraordinary income	0	17
Extraordinary expenses	-2	0
Change in reserves for general banking risks	-500	-1,100
Taxes	-1,448	-1,460
Consolidated profit	5,513	5,526

Consolidated Cash Flow Statement

(in CHF thousand)

	2019		2018	
	Cash inflow	Cash outflow	Cash inflow	Cash outflow
CASH FLOW STATEMENT				
Cash flow from operating activities	3,456		4,203	
Consolidated profit	5,513		5,526	
Change in reserves for general banking risks	500		1,100	
Depreciation of tangible fixed assets	3,091		2,029	
Accrued income and prepaid expenses		366	270	
Accrued expenses and deferred income		282	278	
Previous year's dividend		5,000		5,000
Cash flow from transactions in respect of tangible fixed assets		4,202		3,396
Real estate		0		0
Acquired software		3,861		2,921
Other tangible fixed assets		341		475
Cash flow from banking operations	11,540		1,186	
Medium and long-term business (> 1 year)				
Amounts due from banks	8,265		3,453	
Amounts due from customers		0		0
Financial investments		11,219		43,032
Short-term business				
Amounts due to banks	308		140	
Amounts due in respect of customer deposits		6,975		3,435
Other liabilities	789			2,385
Amounts due from banks	21,453		11,598	
Amounts due from customers	246			116
Financial investments		1,413	32,557	
Other assets	86		34	
LIQUIDITY				
Increase/decrease in liquid assets	10,794		379	
Total liquid assets, previous year	83,488		83,867	
Total liquid assets, current year	94,282		83,488	

Consolidated Statement of Changes in Equity

(in CHF thousand)

	Share capital	Capital reserve	Retained earnings reserve	Reserves for general banking risks	Consolidated profit	Total
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
Equity at start of current year	10,000	9,116	63,386	4,300	5,526	92,328
Dividends and other distributions					-5,000	-5,000
Other allocations to other reserves			526		-526	0
Other allocations to reserves for general banking risks				500		500
Consolidated profit					5,513	5,513
Equity at end of current year	10,000	9,116	63,912	4,800	5,513	93,341

Notes

Accounting and valuation policies

Business name, legal form and domicile

Swiss Bankers Prepaid Services Ltd (SBPS), a company limited by shares that is domiciled in Grosshöchstetten, together with Swiss Bankers Prepaid Services (Liechtenstein) Ltd (SBPS FL), a company limited by shares that is domiciled in Vaduz, form the SBPS Group. SBPS is a licensed bank supervised by the Swiss Financial Market Supervisory Authority (FINMA). The SBPS Group is also subject to consolidated supervision by FINMA.

Business activity

The SBPS Group's business activity consists of the issuance and reloading of prepaid cards in Swiss francs, euros and US dollars in Switzerland, Liechtenstein and southern Germany, the service of providing home delivery of travel money for customers of Swiss banks, and the money-transfer service "Send".

As at 31 December 2019, the full-time equivalent workforce of the SBPS Group totalled 85.4 positions (previous year: 77.1).

Basis and principles

The accounting and valuation policies are based on the Swiss Code of Obligations, the Swiss Banking Act and its associated ordinance, FINMA accounting guidelines, and statutory provisions. These consolidated financial statements present a true and fair view of the SBPS Group's actual circumstances with respect to its net assets, financial position and financial performance.

General valuation principles

The detail positions reported under a balance sheet item are valued individually (item-by-item valuation).

Scope of consolidation

The consolidated financial statements comprise the annual statement of SBPS as well as that of the directly held, wholly-owned subsidiary SBPS FL. The consolidated financial statements are presented in accordance with the substance-over-form concept.

Consolidation method

SBPS FL is included in the consolidated financial statements in accordance with the full consolidation method. Intra-group transactions as well as interim profits are eliminated in the preparation of the consolidated financial statements.

Consolidation period

The consolidation period corresponds to the calendar year, which is the same as the financial year of the Group companies.

Recording and accounting

All business transactions are recorded in the Group's accounts on the closing date and valued from that date in accordance with the established principles.

Foreign currency translation

Receivables, amounts due and foreign currency holdings are valued at the year-end price. Resulting exchange rate gains and losses are recognised in the income statement under "Result from trading activities". All transactions are valued at the relevant day's rate.

The following exchange rates prevailed on the reporting date:

	2019	2018
EUR	1.0846	1.1268
USD	0.9678	0.9845

Liquid assets, amounts due from banks, amounts due to banks, amounts due in respect of customer deposits

These are recognised at their nominal value. Individual value adjustments are made for impaired loans/receivables.

Loans (amounts due from customers)

Amounts due from customers have to do with open accounts receivable resulting from the loading of prepaid cards and with fixed-term deposits with a non-bank. Open accounts receivable from the loading of prepaid cards are short-term positions and are usually settled within two days. All receivables from customers are reported at nominal value. Individual value adjustments are made for impaired loans/receivables.

Receivables are particularly considered to be impaired if it seems unlikely that the debtor will be able to meet his or her future obligations. The impairment is measured as the difference between the book value of the loan/receivable and the expected recoverable amount, taking into account the counterparty risk and the net proceeds from the realisation of any collateral.

Financial investments

This item includes bonds and cash bonds. Debt securities intended to be held to maturity are valued using the accrual method, i.e. the premium/discount paid on acquisition is deferred over the remaining term to maturity and derecognised.



International

We think and act internationally.
We develop solutions for international customers and operate with international partners on an equal footing.

Cash bonds are in principle recognised at their nominal value. Individual value adjustments are made to take account of identifiable default risks. Foreign currency positions are valued at rates prevailing on the reporting date. Both the creation and the release of operationally necessary value adjustments for default and country risks are recognised in the income statement under “Changes in value adjustments for default risks and losses from interest operations”.

Accruals and deferrals

Accruals and deferrals serve both to accurately ascertain assets and debts as at the reporting date and to ensure that expenses and income accrued in that period are reported in the income statement. The valuation is based on nominal values. Accruals and deferrals for current taxes are reported under “Accrued expenses and deferred income”.

Tangible fixed assets

Investments in new tangible fixed assets that exceed a certain minimum amount are capitalised and then recognised at acquisition value.

In subsequent valuations, tangible fixed assets are recognised at acquisition cost less accumulated depreciation. They are subject to scheduled depreciation using the straight-line method over the useful life of the asset.

- Real estate (excluding land): max. 50 years
- IT hardware, office equipment: 5 years
- Software, licences: 3 years
- Fixtures: 8 years
- Furniture: 8 years
- Vehicles: 4 years

Where there are signs of impairment, an impairment test is carried out. If a change in the expected useful life or an impairment is established by the impairment test, the residual book value is depreciated over the remaining useful life or the asset is written down. Land is written down only when loss of value is apparent.

Profits realised from the disposal of fixed assets are recognised under “Extraordinary income”, and losses under “Extraordinary expenses”.

Taxes

Current taxes are recurring, usually annual, taxes on profit and capital. One-time or transaction-related taxes are not included in current taxes. Current taxes on the result of the period are determined in accordance with local profit assessment regulations and are recognised as an expense in the accounting period in which the profits arise. Direct taxes owed on current profits are recognised as accrued expenses.

Deferred taxes on untaxed reserves are calculated on the basis of the effective tax rate of the relevant company and reported under “Provisions”. The provision for deferred taxes is recognised in the income statement. Where temporary differences exist in taxed reserves, deferred tax assets are calculated on the basis of the effective tax rate of the relevant company and reported under “Other assets”. Deferred tax assets are recognised in the income statement.

Pension obligations

Pension obligations as well as the assets covering them have been outsourced to the legally independent BEKB|BCBE pension fund foundation. All SBPS employees and their survivors are members of this foundation under the statutory and regulatory provisions.

Employer contributions are reported as personnel expenses in the income statement. The SBPS Group does not intend to use any economic benefit resulting from overfunding in order to reduce employer contributions. For this reason, any future economic benefit is not capitalised. On the other hand, any economic obligation resulting from underfunding is recognised under “Liabilities”.

Provisions

Provisions that are economically necessary are made on the basis of estimated future cash outflow.

Reserves for general banking risks

The reserves for general banking risks include reserves moved to a separate account and counted as own assets. The creation and release of reserves is reported in the income statement under “Changes in reserves for general banking risks”. The reserves for general banking risks are taxed.

Contingent liabilities, irrevocable commitments, obligations to pay up shares and make further contributions

These are reported as off-balance-sheet transactions at their nominal value. Provisions are made for identifiable risks and reported in the balance sheet under “Liabilities”.

Retained earnings reserve

The SBPS Group's self-generated funds are reported under "Retained earnings reserve".

Customer assets

SBPS does not provide a breakdown and presentation of managed assets, as it does not manage customer assets but only receives them when they are loaded onto prepaid cards. These amounts are fully disclosed under "Amounts due in respect of customer deposits".

Changes compared with the previous year

No changes have been made to the accounting and valuation policies compared with the previous year.

Events after the reporting date

No extraordinary events occurred after the reporting date that had a significant influence on the SBPS Group's net assets, financial position and financial performance.

Notes on Risk Management

The SBPS Group pursues a sustainable and prudent risk policy. It ensures that there is a balance between risk and return, and it actively manages the following risks:

- Quantifiable risks
 - Default risks (counterparty risks)
 - Country risks
 - Market risks
 - Liquidity and refinancing risks

- Unquantifiable risks
 - Operational risks
 - Legal and reputational risks

The Board of Directors has set down the risk policy in a risk limits concept. This is reviewed at least once a year by the Board of Directors and the management for whether it is adequate, and it forms the basis for risk management. Limits have been defined for individual risks in regulations and directives, and compliance with them monitored on an ongoing basis.

Risk Control is part of the Risk & Compliance department, which is independent of the operational business. Risk Control regularly informs the management about compliance with the specified limits, the results of control activities and any measures to be taken. For its part, the management informs the Board of Directors on an at least semi-annual basis about the current overall risk situation and risk development. Risk Control reports to the Board of Directors on the SBPS Group's risk situation and its activities at least once per year.

Default risks

Default risks are limited by risk distribution and quality requirements. A risk-oriented allocation of responsibilities has been established for the approval of exposures with default risks. Limits, changes in market value and rating requirements are constantly monitored. In the event of identifiable losses in the value of individual assets due to a deterioration in creditworthiness, the management makes individual value adjustments. The expected returns from individual assets are taken into account when calculating individual value adjustments. In the event of rating downgrades, the management decides on further steps in accordance with the regulations of the Board of Directors.

Country risks

Country risk refers to the risk of a loss resulting from country-specific events. To reduce risk, maximum percentages are set for foreign commitments. Country risks are actively and dynamically managed and are mainly concentrated in Western Europe.

Market risks (interest rate risks)

The SBPS Group does not pay interest on deposits (card balances). Interest rate changes are reflected exclusively under "Result from interest operations".

Other market risks

Foreign currency risks result from obligations arising from business with prepaid cards in euros and US dollars as well as from banknotes denominated in foreign currency that are held by the banknote delivery service. Foreign currency risks are minimised by concluding largely congruent currency transactions.

Liquidity and refinancing risks

Willingness to pay and the qualitative requirements for liquidity risk management are monitored and assured within the framework of banking law provisions and additional internal guidelines.

Operational risks

Operational risk is defined as "the risk of direct or indirect loss resulting from inadequate or failed internal processes, people and systems or from external events". Operational risks are limited by internal regulations and directives concerning organisation and control. These regulations are based primarily on the quantitative and qualitative requirements of Circular 08/21 "Operational risks at banks" issued by the Swiss Financial Market Supervisory Authority (FINMA). The Internal Audit department regularly reviews internal controls and reports directly to the Board of Directors on its work.

Compliance and legal risks

The management together with Compliance, part of the Risk & Compliance department which is independent of the operational business, ensure that business activities comply with the applicable legal and regulatory requirements. Compliance monitors and analyses the relevant legal developments and supports the management in implementing appropriate internal systems and processes to ensure compliance. It ensures that internal regulations and processes are consistent and compliant with regulatory developments.

Compliance regularly informs the management about relevant issues and developments. The management, for its part, informs the Board of Directors about significant compliance risks. Once a year, Compliance prepares an updated compliance risk profile, an associated plan of action and an activity report, and submits these documents to the management and Board of Directors.

Simplicity

Whether making classic bank transfers or trying out new trends: Swiss Bankers makes managing your everyday payments simple and straightforward.



Information Concerning the Balance Sheet

(in CHF thousand)

	Secured by mortgage	Other collateral	Unsecured	Total
OVERVIEW OF COLLATERAL FOR LOANS				
Loans				
Amounts due from customers	0	0	6,064	6,064
Total loans in the current year (before netting with value adjustments)	0	0	6,064	6,064
Total loans in the previous year (before netting with value adjustments)	0	0	6,310	6,310
Total loans in the current year (after netting with value adjustments)	0	0	6,064	6,064
Total loans in the previous year (after netting with value adjustments)	0	0	6,310	6,310
Off-balance-sheet transactions				
Irrevocable commitments	0	0	4,332	4,332
Total off-balance-sheet transactions, current year	0	0	4,332	4,332
Total off-balance-sheet transactions, previous year	0	0	4,362	4,362

(in CHF thousand)

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
IMPAIRED LOANS/RECEIVABLES				
Current year	0	0	0	0
Previous year	0	0	0	0

(in CHF thousand)

	Book value 2019	Fair value 2019	Book value 2018	Fair value 2018
FINANCIAL INVESTMENTS				
Debt securities	245,868	250,584	233,236	233,698
<i>thereof securities eligible for repo transactions in accordance with liquidity requirements</i>	86,933	89,144	103,962	104,220
Total financial investments	245,868	250,584	233,236	233,698

Debt securities are intended to be held to maturity.

(in CHF thousand)

	Highest credit rating	Safe investment	Average quality investment	Speculative investment	Highly speculative investment	Payment delay/default	Unrated
FINANCIAL INVESTMENTS BY RATING							
Debt securities at book values, current year	132,414	57,387	24,927	0	0	0	31,140
Debt securities at book values, previous year	162,274	31,730	10,068	0	0	0	29,164

The SBPS Group uses the ratings of recognized rating agencies in accordance with FINMA mapping tables and the bank's internal classification.

	Domicile	Business activity	Capital (in CHF thousand)	Share of capital (in %)	Share of votes (in %)	Held directly	Held indirectly
GROUP COMPANIES							
Fully consolidated companies							
Swiss Bankers Prepaid Services Ltd*	Grosshöchstetten	Bank	10,000				
Swiss Bankers Prepaid Services (Liechtenstein) Ltd	Vaduz	Electronic money institution	450	100	100	x	

*Since Swiss Bankers Prepaid Services Ltd is the parent company, the capital ratio is not specified.

The Liechtenstein subsidiary has no market value.

(in CHF thousand)

	Acquisition cost	Accumulated depreciation	Book value as at 31/12/2018	Additions	Reclassifications/disposals	Depreciation	Book value as at 31/12/2019
STATEMENT OF FIXED ASSETS							
Tangible fixed assets							
Real estate							
Bank buildings	7,768	-3,834	3,934	0	0	-121	3,813
Other real estate	1,896	-41	1,855	0	0	0	1,855
Acquired software	8,232	-4,550	3,682	4,154	-293	-2,632	4,911
Other tangible fixed assets	3,847	-2,602	1,245	352	-11	-338	1,248
Total tangible fixed assets	21,743	-11,027	10,716	4,506	-304	-3,091	11,827

(in CHF thousand)

	Other assets 2019	Other liabilities 2019	Other assets 2018	Other liabilities 2018
OTHER ASSETS AND OTHER LIABILITIES				
Card stocks	361	0	486	0
Pure clearing accounts	2,759	528	2,906	546
Indirect taxes	368	197	198	175
Deferred income taxes recognized as assets	990	0	876	0
Other assets and liabilities	1,333	1,850	1,431	1,065
Total other assets and other liabilities	5,811	2,575	5,897	1,786

GROUP

(in CHF thousand)

	Overfunding/ underfunding as at 31/12/2019	Economic interest of the bank as at 31/12/2019	Economic interest of the bank as at 31/12/2018	Change in economic interest versus previous year	Contribu- tions paid for the current year	Pension expenses in personnel expenses 2019	Pension expenses in personnel expenses 2018
ECONOMIC BENEFIT/ECONOMIC OBLIGATION AND PENSION EXPENSES							
Pension plans with overfunding					873	873	704
Total					873	873	704

The coverage ratio of the pension fund as at 31 December 2018 was 103.8% (external auditor's report of 9 April 2019). The coverage ratio as at the end of the reporting year is expected to come in at 112.1%. The external audit will be presented and the annual financial statements adopted on 22 April 2020.

(in CHF thousand)

	Balance as at 31/12/2018	Use in conformity with designated purpose	Reclassifi- cations	New provisions charged to income	Releases to income	Balance as at 31/12/2019
VALUE ADJUSTMENTS AND PROVISIONS, RESERVES FOR GENERAL BANKING RISKS, AND CHANGES THEREIN DURING THE CURRENT YEAR						
Provisions for deferred taxes	0					0
Provisions for pension benefit obligations	0					0
Other provisions	200					200
Total provisions	200					200
Reserves for general banking risks	4,300			500		4,800
Value adjustments for default and country risks	0			35		35
<i>thereof value adjustments for latent risks</i>	0			35		35

(in CHF thousand)

	Amounts due from 2019	Amounts due to 2019	Amounts due from 2018	Amounts due to 2018
DISCLOSURE OF AMOUNTS DUE FROM/TO RELATED PARTIES				
Holders of qualified participations	110,134	688	122,071	374
Transactions with members of governing bodies	0	0	0	0

The SBPS shareholders are considered to be holders of qualified participations. The SBPS Group engages in transactions with these shareholders that are customary in the sector and are entered into in accordance with market conditions.

(in CHF thousand)

	At sight	Cancellable	Due within 3 months	Due within 3 to 12 months	Due within 1 to 5 years	Due after 5 years	No maturity	Total
MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS (ASSETS)								
Liquid assets	94,282	0	0	0	0	0	0	94,282
Amounts due from banks	20,279	1,000	3,267	8,484	50,338	36,000	0	119,368
Amounts due from customers	1,064	0	0	0	0	5,000	0	6,064
Financial investments	0	0	14,366	17,569	113,049	100,884	0	245,868
Total current year	115,625	1,000	17,633	26,053	163,387	141,884	0	465,582
Total previous year	108,416	1,000	11,552	48,835	122,152	180,165	0	472,120

MATURITY STRUCTURE OF FINANCIAL INSTRUMENTS (LIABILITIES)

Amounts due to banks	920	0	0	0	0	0	0	920
Amounts due in respect of customer deposits	385,230	0	0	0	0	0	0	385,230
Total current year	386,150	0	0	0	0	0	0	386,150
Total previous year	392,817	0	0	0	0	0	0	392,817

As customers of the SBPS Group can withdraw amounts loaded on prepaid cards or redeem traveller's cheques at any time, these liabilities are due at sight. Asset management is based on empirical values and primarily relates to assets with medium-term maturity.

(in CHF thousand)

	Domestic 2019	Foreign 2019	Domestic 2018	Foreign 2018
ASSETS AND LIABILITIES BY DOMESTIC AND FOREIGN ORIGIN ASSETS				
Assets				
Liquid assets	94,282	0	83,488	0
Amounts due from banks	110,174	9,194	139,419	9,667
Amounts due from customers	6,051	13	6,302	8
Financial investments	75,220	170,648	74,727	158,509
Accrued income and prepaid expenses	703	1,092	482	947
Tangible fixed assets	11,827	0	10,716	0
Other assets	3,052	2,759	2,991	2,906
Total assets	301,309	183,706	318,125	172,037
Liabilities				
Amounts due to banks	915	5	610	2
Amounts due in respect of customer deposits	277,776	107,454	278,988	113,217
Accrued expenses and deferred income	2,701	48	2,856	175
Other liabilities	2,037	538	1,229	557
Provisions	200	0	200	0
Reserves for general banking risks	4,800	0	4,300	0
Share capital	10,000	0	10,000	0
Capital reserve	9,116	0	9,116	0
Retained earnings reserve	63,912	0	63,386	0
Consolidated profit	5,513	0	5,526	0
Total liabilities	376,970	108,045	376,211	113,951

GROUP

	Absolute 2019 (in CHF thousand)	Share 2019 (in %)	Absolute 2018 (in CHF thousand)	Share 2018 (in %)
TOTAL ASSETS BY COUNTRY OR GROUP OF COUNTRIES				
Switzerland	301,309	62.1	318,125	64.9
Europe	150,695	31.1	146,482	29.9
<i>thereof Germany</i>	18,688	3.9	21,538	4.4
<i>thereof Luxembourg</i>	9,072	1.9	9,038	1.8
<i>thereof the Netherlands</i>	22,985	4.7	24,391	5.0
<i>thereof Norway</i>	10,558	2.2	13,861	2.8
<i>thereof France</i>	26,471	5.5	21,241	4.3
<i>thereof Finland</i>	6,354	1.3	8,551	1.7
<i>thereof UK</i>	14,606	3.0	8,939	1.8
<i>thereof Sweden</i>	10,027	2.1	13,221	2.7
<i>thereof Austria</i>	0	0.0	5,047	1.0
<i>thereof Belgium</i>	6,581	1.4	0	0.0
<i>thereof Liechtenstein</i>	7,656	1.6	7,720	1.6
<i>thereof rest of Europe</i>	17,697	3.6	12,935	2.6
Australia/New Zealand	7,188	1.5	9,288	1.9
United States	2,934	0.6	3,023	0.6
Other*	22,889	4.7	13,244	2.7
Total assets	485,015	100.0	490,162	100.0

*Including supranational entities

	Net foreign exposure end of current year		Net foreign exposure end of previous year	
	(in CHF thousand)	Share (in %)	(in CHF thousand)	Share (in %)
BREAKDOWN OF TOTAL ASSETS BY CREDIT RATING OF COUNTRY GROUPS (RISK DOMICILE VIEW)				
Highest credit rating	170,417	92.8	166,844	97.0
Safe investment	8,359	4.6	2,221	1.3
Average quality investment	50	0.0	2,972	1.7
Speculative investment	0	0.0	0	0.0
Highly speculative investment	0	0.0	0	0.0
Payment delay/default	0	0.0	0	0.0
Unrated*	4,880	2.7	0	0.0
Total	183,706	100.0	172,037	100.0

*Foreign exposures in the category "Unrated" have to do exclusively with bonds issued by supranational entities.

The SBPS Group uses the ratings of recognized rating agencies in accordance with FINMA mapping tables and the bank's internal classification.

An aerial, top-down view of a large, crowded swimming pool. The water is a vibrant blue. Numerous people are seen floating on bright yellow inflatable rings. The people are in various poses, some lying down, some sitting up, and some interacting. The overall scene is one of a busy, recreational water park or pool. The text 'Safety' is overlaid in the lower-left quadrant, and a white geometric graphic is in the lower-right.

Safety

Swiss Bankers offers security in managing complex everyday payments. You'll have transparency about expenditures, control your own liquidity and know your funds are secure.

GROUP

(in CHF thousand)

	CHF	EUR	USD	Other
BALANCE SHEET BY CURRENCIES				
Assets				
Liquid assets	93,699	293	290	0
Amounts due from banks	96,746	13,400	9,222	0
Amounts due from customers	5,596	124	344	0
Financial investments	97,496	101,384	46,988	0
Accrued income and prepaid expenses	965	502	328	0
Tangible fixed assets	11,827	0	0	0
Other assets	2,136	2,712	4	959
Total assets	308,465	118,415	57,176	959
Liabilities				
Amounts due to banks	920	0	0	0
Amounts due in respect of customer deposits	211,211	118,280	55,739	0
Accrued expenses and deferred income	2,749	0	0	0
Other liabilities	2,210	217	148	0
Provisions	200	0	0	0
Reserves for general banking risks	4,800	0	0	0
Share capital	10,000	0	0	0
Capital reserve	9,116	0	0	0
Retained earnings reserve	63,912	0	0	0
Consolidated profit	5,513	0	0	0
Total liabilities	310,631	118,497	55,887	0
Net positions per currency	-2,166	-82	1,289	959

Information Concerning the Income Statement

(in CHF thousand)

	2019	2018
RESULT FROM TRADING ACTIVITIES		
Foreign currencies	14,744	12,816
<i>thereof currency gains from banknotes</i>	4,578	4,018
<i>thereof foreign exchange gains from card products</i>	10,166	8,798
Total result from trading activities	14,744	12,816
PERSONNEL EXPENSES		
Salaries	9,156	7,660
Social insurance benefits	1,539	1,399
Other personnel expenses	1,582	1,746
Total personnel expenses	12,277	10,805
GENERAL AND ADMINISTRATIVE EXPENSES		
Office space expenses	442	380
Expenses for information and communications technology	962	685
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	95	91
Audit firm fees	187	260
<i>thereof for financial and regulatory audits</i>	137	194
<i>thereof for other services</i>	50	66
Other operating expenses	6,191	5,680
Total general and administrative expenses	7,877	7,096
EXTRAORDINARY INCOME AND EXPENSES		
Gains realised from the disposal of tangible fixed assets	0	17
Losses realised from the disposal of tangible fixed assets	-2	0
Total extraordinary income and expenses	-2	17
TAXES		
Current taxes	1,563	1,695
Deferred taxes	-115	-235
Total taxes	1,448	1,460

The tax rate was 21.53% for the reporting year (previous year: 21.36%).



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To the General Meeting of
Swiss Bankers Prepaid Services Ltd, Grosshöchstetten

Berne, 27 March 2020

Report of the statutory auditor on the consolidated financial statements

As statutory auditor, we have audited the consolidated financial statements of Swiss Bankers Prepaid Services Ltd, which comprise the consolidated balance sheet, consolidated income statement, consolidated cash flow statement, consolidated statement of changes in equity and notes (pages 16 to 33), for the year ended 31 December 2019.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law and the consolidation and valuation principles as set out in the notes. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2019 comply with Swiss law and the consolidation and valuation principles as set out in the notes.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Rolf Scheuner
Licensed audit expert
(Auditor in charge)

Adriano Guerra
Licensed audit expert



Swiss Bankers
Prepaid Services Ltd,
Grosshöchstetten

Balance Sheet

(in CHF thousand)

	31/12/2019	31/12/2018
ASSETS		
Liquid assets	94,282	83,488
Amounts due from banks	107,963	137,555
Amounts due from customers	6,542	6,857
Financial investments	245,868	233,236
Accrued income and prepaid expenses	1,755	1,375
Participations	450	450
Tangible fixed assets	11,827	10,716
Other assets	4,721	4,854
Total assets	473,408	478,531
LIABILITIES		
Amounts due to banks	915	610
Amounts due in respect of customer deposits	377,255	383,742
Accrued expenses and deferred income	2,681	2,967
Other liabilities	2,564	1,776
Provisions	4,298	4,298
Reserves for general banking risks	4,800	4,300
Share capital	10,000	10,000
Statutory capital reserve	9,116	9,116
<i>thereof tax-exempt capital contribution reserve</i>	9,116	9,116
<i>thereof other capital reserves</i>	0	0
Voluntary retained earnings reserves	56,680	56,680
Profit carried forward	42	40
Profit	5,057	5,002
Total liabilities	473,408	478,531
OFF-BALANCE-SHEET TRANSACTIONS		
Contingent liabilities	8,763	9,274
Irrevocable commitments	4,332	4,362

Income Statement

(in CHF thousand)

	2019	2018
RESULT FROM INTEREST OPERATIONS		
Interest and discount income	520	670
Interest and dividend income from financial investments	2,130	1,979
Interest expense	-2	-3
Gross result from interest operations	2,648	2,646
Changes in value adjustments for default risks and losses from interest operations	-35	0
Subtotal net result from interest operations	2,613	2,646
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from other services	25,576	22,382
Commission expense	-12,660	-10,080
Subtotal result from commission business and services	12,916	12,302
RESULT FROM TRADING ACTIVITIES	14,447	12,549
OTHER RESULT FROM ORDINARY ACTIVITIES		
Result from real estate	78	81
Other ordinary income	624	425
Other ordinary expenses	-91	0
Subtotal other result from ordinary activities	611	506
OPERATING INCOME	30,587	28,003
OPERATING EXPENSES		
Personnel expenses	-12,253	-10,784
General and administrative expenses	-7,684	-6,928
Subtotal operating expenses	-19,937	-17,712
GROSS PROFIT	10,650	10,291
Depreciation of tangible fixed assets	-3,091	-2,029
Changes to provisions and other value adjustments, and losses	-475	-519
OPERATING RESULT	7,084	7,743
Extraordinary income	0	17
Extraordinary expenses	-2	0
Change in reserves for general banking risks	-500	-1,100
Taxes	-1,525	-1,658
Profit	5,057	5,002
APPROPRIATION OF PROFIT		
Profit	5,057	5,002
Profit carried forward	42	40
Distributable profit	5,099	5,042
Distributions from distributable profit	-5,000	-5,000
Allocation to voluntary retained earnings reserves	0	0
Profit carried forward	99	42

Statement of Changes in Equity

(in CHF thousand)

	Share capital	Statutory capital reserve	Voluntary retained earnings reserves and profit carried forward	Reserves for general banking risks	Profit	Total
STATEMENT OF CHANGES IN EQUITY						
Equity at start of current year	10,000	9,116	56,720	4,300	5,002	85,138
Dividends and other distributions					-5,000	-5,000
Other allocations to the other reserves			2		-2	0
Other allocations to the reserves for general banking risks				500		500
Profit					5,057	5,057
Equity at end of current year	10,000	9,116	56,722	4,800	5,057	85,695

Connection

We make the networked future available to everyone: Networking between friends, in other countries, and with products (IoT).



Notes

Notes Concerning Business Activity

Business name, legal form and domicile

Swiss Bankers Prepaid Services Ltd (SBPS), a company limited by shares domiciled in Grosshöchstetten, is the parent company of the SBPS Group. It is a licensed bank supervised by the Swiss Financial Market Supervisory Authority (FINMA).

Business activity

The parent company's business activity consists of the issuance and reloading of prepaid cards in Swiss francs, euros and US dollars, the service of providing home delivery of travel money for customers of Swiss banks, and the money-transfer service "Send". As at 31 December 2019, the full-time equivalent workforce of SBPS totalled 84.6 positions (previous year: 76.3).

For further information about the Group's business activity, please see the consolidated financial statements.

Accounting and valuation policies

The accounting and valuation policies are based on the Swiss Code of Obligations, the Swiss Banking Act and its associated ordinance, FINMA accounting guidelines, and statutory provisions.

The parent company presents reliable financial statements. As a rule, the Group's accounting and valuation policies are applied. Unlike the consolidated financial statements, the single-entity financial statements may contain hidden reserves. Hidden reserves may result from depreciation of tangible fixed assets that exceeds operationally necessary levels. Provisions may also contain hidden reserves. In the event of temporary differences in taxable reserves, no deferred tax assets are calculated and reported at the level of the parent company.

Participations

Reported under this balance sheet item is the parent company's 100% ownership of SBPS FL. The participation is valued at cost less any necessary write-downs.

Changes compared with the previous year

No changes have been made to the accounting and valuation policies compared with the previous year.

Events after the reporting date

No extraordinary events occurred after the reporting date that had a significant influence on SBPS's net assets, financial position and financial performance.

Risk assessment and management

Defined risks and regulatory compliance are continuously monitored. For further information on SBPS's risk assessment and management, please see the notes to the consolidated financial statements.

Contingent liabilities, irrevocable commitments, obligations to pay up shares and make further contributions

These are reported as off-balance-sheet transactions at their nominal value. Provisions are made for identifiable risks and reported in the balance sheet under "Liabilities".

Information Concerning the Balance Sheet

(in CHF thousand)

	Secured by mortgage	Other collateral	Unsecured	Total
OVERVIEW OF COLLATERAL FOR LOANS				
Loans				
Amounts due from customers	0	0	6,542	6,542
Total loans in the current year (before netting with value adjustments)	0	0	6,542	6,542
Total loans in the previous year (before netting with value adjustments)	0	0	6,857	6,857
Total loans in the current year (after netting with value adjustments)	0	0	6,542	6,542
Total loans in the previous year (after netting with value adjustments)	0	0	6,857	6,857
Off-balance-sheet transactions				
Performance guarantees	0	0	8,763	8,763
Irrevocable commitments	0	0	4,332	4,332
Total off-balance-sheet transactions, current year	0	0	13,095	13,095
Total off-balance-sheet transactions, previous year	0	0	13,636	13,636

The performance guarantees result from a guarantee contract between the parent company (SBPS) and SBPS FL. The amount of the guarantee is determined by the amount of the card balances of the subsidiary's customers, plus a reserve amount.

(in CHF thousand)

	Gross debt amount	Estimated liquidation value of collateral	Net debt amount	Individual value adjustments
IMPAIRED LOANS/RECEIVABLES				
Current year	0	0	0	0
Previous year	0	0	0	0

(in CHF thousand)

	Book value 2019	Fair value 2019	Book value 2018	Fair value 2018
FINANCIAL INVESTMENTS				
Debt securities	245,868	250,584	233,236	233,698
<i>thereof securities eligible for repo transactions in accordance with liquidity requirements</i>	<i>86,933</i>	<i>89,144</i>	<i>103,962</i>	<i>104,220</i>
Total financial investments	245,868	250,584	233,236	233,698

Debt securities are intended to be held to maturity.

SWISS BANKERS PREPAID SERVICES LTD, GROSSHÖCHSTETTEN

(in CHF thousand)

	Highest credit rating	Safe investment	Average quality investment	Speculative investment	Highly speculative investment	Payment delay/default	Unrated
FINANCIAL INVESTMENTS BY RATING							
Debt securities at book values, current year	132,414	57,387	24,927	0	0	0	31,140
Debt securities at book values, previous year	162,274	31,730	10,068	0	0	0	29,164

The SBPS Group uses the ratings of recognised rating agencies in accordance with FINMA mapping tables and the bank's internal classification.

(in CHF thousand)

	Other assets 2019	Other liabilities 2019	Other assets 2018	Other liabilities 2018
OTHER ASSETS AND OTHER LIABILITIES				
Card stocks	324	0	445	0
Pure clearing accounts	2,723	528	2,821	546
Indirect taxes	367	187	198	165
Other assets and liabilities	1,307	1,849	1,390	1,065
Total other assets and other liabilities	4,721	2,564	4,854	1,776

(in CHF thousand)

	Overfunding/ underfunding as at 31/12/2019	Economic interest of the bank as at 31/12/2019	Economic interest of the bank as at 31/12/2018	Change in economic interest versus previous year	Contribu- tions paid for the current year	Pension expenses in personnel expenses 2019	Pension expenses in personnel expenses 2018
ECONOMIC BENEFIT/ECONOMIC OBLIGATION AND PENSION EXPENSES							
Pension plans with overfunding					858	858	690
Total					858	858	690

The coverage ratio of the pension fund as at 31 December 2018 was 103.8% (external auditor's report of 9 April 2019). The coverage ratio as at the end of the reporting year is expected to come in at 112.1%. The external audit will be presented and the annual financial statements adopted on 22 April 2020.

(in CHF thousand)

	Balance as at 31/12/2018	Use in conformity with designated purpose	Reclassifi- cations	New provisions charged to income	Releases to income	Balance as at 31/12/2019
VALUE ADJUSTMENTS AND PROVISIONS, RESERVES FOR GENERAL BANKING RISKS, AND CHANGES THEREIN DURING THE CURRENT YEAR						
Provisions for pension benefit obligations	0					0
Other provisions	4,298					4,298
Total provisions	4,298					4,298
Reserves for general banking risks	4,300			500		4,800
Value adjustments for default and country risks	0			35		35
<i>thereof value adjustments for latent risks</i>	<i>0</i>			<i>35</i>		<i>35</i>

(in CHF thousand)

	Total par value 2019	No. of shares 2019	Capital eligible for dividend 2019	Total par value 2018	No. of shares 2018	Capital eligible for dividend 2018
BANK'S CAPITAL						
Share capital (fully paid up)	10,000	10,000	10,000	10,000	10,000	10,000
Total bank's capital	10,000	10,000	10,000	10,000	10,000	10,000

SBPS does not have any authorised or conditional capital. To the extent they do not exceed one-half of the nominal share capital, the statutory and voluntary capital reserves may be used only to cover losses or for measures designed to sustain the company through difficult times, to prevent unemployment or to mitigate its consequences. Therefore, CHF 5.0 million is not distributable.

(in CHF thousand)

	Amounts due from 2019	Amounts due to 2019	Amounts due from 2018	Amounts due to 2018
DISCLOSURE OF AMOUNTS DUE FROM/TO RELATED PARTIES				
Holders of qualified participations	108,949	688	121,208	374
Group companies	491	205	555	221
Transactions with members of governing bodies	0	0	0	0

The shareholders of SBPS (holders of qualified participations) and SBPS FL (Group company) are considered to be material counterparties. SBPS engages in transactions with them that are customary in the sector and are entered into in accordance with market conditions.

	Absolute 2019 (in CHF thousand)	Share 2019 (in %)	Absolute 2018 (in CHF thousand)	Share 2018 (in %)
DISCLOSURE OF HOLDERS OF SIGNIFICANT PARTICIPATIONS				
with voting rights:				
Association of Swiss Cantonal Banks	3,300	33.0	3,300	33.0
Credit Suisse (Switzerland) Ltd	2,500	25.0	2,500	25.0
Entris Banking Ltd	1,650	16.5	1,650	16.5
Raiffeisen Switzerland Cooperative	1,650	16.5	1,650	16.5
PostFinance Ltd	900	9.0	900	9.0

	Net foreign exposure end of current year		Net foreign exposure end of previous year	
	(in CHF thousand)	Share (in %)	(in CHF thousand)	Share (in %)
BREAKDOWN OF TOTAL ASSETS BY CREDIT RATING OF COUNTRY GROUPS (RISK DOMICILE VIEW)				
Highest credit rating	162,075	92.4	158,035	96.8
Safe investment	8,359	4.8	2,221	1.4
Average quality investment	50	0.0	2,972	1.8
Speculative investment	0	0.0	0	0.0
Highly speculative investment	0	0.0	0	0.0
Payment delay/default	0	0.0	0	0.0
Unrated*	4,880	2.8	0	0.0
Total	175,364	100.0	163,228	100.0

*Foreign exposures in the category "Unrated" have to do exclusively with bonds issued by supranational entities.

The SBPS Group uses the ratings of recognised rating agencies in accordance with FINMA mapping tables and the bank's internal classification.

Information Concerning the Income Statement

(in CHF thousand)

	2019	2018
RESULT FROM TRADING ACTIVITIES		
Foreign currencies	14,447	12,549
<i>thereof currency gains from banknotes</i>	4,576	4,018
<i>thereof foreign exchange gains from card products</i>	9,871	8,531
Total result from trading activities	14,447	12,549
PERSONNEL EXPENSES		
Salaries	9,132	7,637
Social insurance benefits	1,539	1,402
Other personnel expenses	1,582	1,745
Total personnel expenses	12,253	10,784
GENERAL AND ADMINISTRATIVE EXPENSES		
Office space expenses	416	354
Expenses for information and communications technology	928	684
Expenses for vehicles, equipment, furniture and other fixtures, as well as operating lease expenses	95	89
Audit firm fees	145	208
<i>thereof for financial and regulatory audits</i>	102	155
<i>thereof for other services</i>	43	53
Other operating expenses	6,100	5,593
Total general and administrative expenses	7,684	6,928
EXTRAORDINARY INCOME AND EXPENSES		
Gains realised from the disposal of tangible fixed assets	0	17
Losses realised from the disposal of tangible fixed assets	-2	0
Total extraordinary income and expenses	-2	17
TAXES		
Current taxes	1,525	1,658
Total taxes	1,525	1,658

The tax rate was 21.53% for the reporting year (previous year: 21.36%).



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To the General Meeting of
Swiss Bankers Prepaid Services Ltd, Grosshöchstetten

Berne, 27 March 2020

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the financial statements of Swiss Bankers Prepaid Services Ltd, which comprise the balance sheet, income statement, statement of changes in equity and notes (pages 38 to 47), for the year ended 31 December 2019.

Board of Directors' responsibility

The Board of Directors is responsible for the preparation of the financial statements in accordance with the requirements of Swiss law and the company's articles of incorporation. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Board of Directors is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements for the year ended 31 December 2019 comply with Swiss law and the company's articles of incorporation.



Report on other legal requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the Board of Directors.

We further confirm that the proposed appropriation of available earnings complies with Swiss law and the company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Rolf Scheuner
Licensed audit expert
(Auditor in charge)

Adriano Guerra
Licensed audit expert

Swiss Bankers Prepaid
Services (Liechtenstein) Ltd,
Vaduz

The image features a solid red background. In the lower right quadrant, there is an abstract geometric pattern composed of thin white lines. These lines intersect to form several irregular polygons, including triangles and quadrilaterals, creating a modern, architectural feel.

Company Governing Bodies

Shareholder

Swiss Bankers Prepaid Services Ltd
3506 Grosshöchstetten
Switzerland

Board of Directors

Christoph Meister, Chairman
Hans-Jörg Widiger, Deputy Chairman
Dr Erik Nuener

Management

Sascha Breite, Managing Director
Andreas Stahel, Deputy Managing Director

External Auditor

Ernst & Young Ltd
3001 Berne
Switzerland

Registered Office

Swiss Bankers Prepaid Services (Liechtenstein) Ltd
Austrasse 56
9490 Vaduz
Liechtenstein
Phone +423 233 31 41
info@swissbankers.li

Annual Report

Swiss Bankers Prepaid Services (Liechtenstein) Ltd (SBPS FL) is a licensed electronic money institution that is supervised by the Financial Market Authority (FMA) Liechtenstein.

SBPS FL is a wholly owned subsidiary of Swiss Bankers Prepaid Services Ltd (SBPS), which is domiciled in Grosshöchstetten, Switzerland. It has no branches.

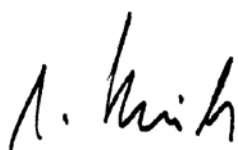
SBPS FL is integrated into the risk management and risk control of the SBPS Group, which is subject to the consolidated supervision of the Swiss Financial Market Supervisory Authority (FINMA). Information concerning the risk management of SBPS FL is set forth in the notes to these annual financial statements.

The purpose of the electronic money institution is to issue, sell, process and service prepaid cards and to deliver cash. Prepaid cards sold through banks in Liechtenstein, Sparkasse Hochrhein (Germany) and Volksbank Hochrhein (Germany) generated turnover of CHF 32.1 million in 2019. This corresponds to a decrease in load volume of 13.5% compared with the previous year. The decline is mainly attributable to the realignment of Liechtenstein banking business.

The result from commission business and services amounted to CHF 362,000 and was achieved primarily through top-ups and withdrawals using Travel Cash cards. The result from trading activities, which was derived from foreign exchange gains on the issuance and use of prepaid cards, amounted to CHF 297,300 in the year under review. In addition, SBPS FL generated interest income of CHF 67,400 from fixed-term deposits. Operating expenses amounted to CHF 368,500 in the year under review. The result was a pre-tax profit of CHF 379,300, representing a rise of about 6% compared with the previous year.

Turnover in Liechtenstein for the 2020 financial year is expected to come in at the level of the previous year. SBPS FL intends to lay the groundwork by the end of 2020 for the direct sale of card products in Liechtenstein and other countries.

No extraordinary events occurred after the reporting date that had a significant impact on the net assets, financial position and financial performance of SBPS FL.



Christoph Meister
Chairman of the Board of Directors



Sascha Breite
Managing Director

Balance Sheet

(in CHF thousand)

	31/12/2019	31/12/2018
ASSETS		
Amounts due from banks		
due on a daily basis	2,383	1,916
other receivables	9,227	9,836
Amounts due from customers	13	8
Other assets	100	167
Accrued income and prepaid expenses	40	54
Total assets	11,763	11,981
LIABILITIES		
Amounts due to banks	496	557
Amounts due to customers		
other liabilities, due on a daily basis	8,180	8,684
Other liabilities	11	10
Accrued expenses and deferred income	25	26
Provisions		
Provisions for taxes	43	38
Subscribed capital	450	450
Retained earnings reserves		
Statutory reserves	45	45
Other reserves	2,165	1,865
Profit carried forward	6	17
Profit	342	289
Total liabilities	11,763	11,981

Income Statement

(in CHF thousand)

	2019	2018
RESULT FROM INTEREST OPERATIONS		
Interest income	67	72
Subtotal result from interest operations	67	72
RESULT FROM COMMISSION BUSINESS AND SERVICES		
Commission income from other services	810	837
Commission expense	-448	-506
Subtotal result from commission business and services	362	331
RESULT FROM FINANCIAL TRANSACTIONS	297	267
<i>thereof from trading activities</i>	297	267
Subtotal result from financial transactions	297	267
OTHER ORDINARY INCOME	30	0
OPERATING INCOME	756	670
OPERATING EXPENSES		
Personnel expenses	-158	-140
General and administrative expenses	-210	-182
Subtotal operating expenses	-368	-322
Other ordinary expenses	-9	-21
Income tax	-37	-38
Profit	342	289
APPROPRIATION OF PROFIT		
Profit	342	289
Profit carried forward	6	17
Distributable profit	348	306
Allocation to the other reserves	-300	-300
Profit carried forward	48	6

Notes

Notes Concerning Business Activity, Number of Employees

Introduction

SBPS FL (Commercial Registry Number FL-0002.411.270-4) commenced business on 1 January 2013. It is a licensed electronic money institution that is supervised by the Financial Market Authority (FMA) Liechtenstein.

The company's core business consists of the issuance, sale, processing and servicing of prepaid cards in Swiss francs, euros and US dollars. As at 31 December 2019, the full-time equivalent workforce of SBPS FL totalled 0.8 positions (previous year: 0.8).

Outsourcing of business activities

In line with the provisions of Article 13 of the Liechtenstein Electronic Money Act (EGG) and the guidelines for outsourcing in accordance with Article 35, Annex 6, of the Liechtenstein Banking Ordinance (BankV), SBPS FL has outsourced various activities to the parent company (SBPS). The two parties have concluded a service level agreement for this purpose.

Insofar as customer data are associated with the outsourced services, the employees of all service providers are subject to the obligation of confidentiality, as well as to the obligation of secrecy applicable to electronic money institutions.

Income structure

SBPS FL generates its income from commission business and services, trading activities and interest operations.

Commission business and services

The result from the commission business and services is mainly derived from prepaid card top-ups and withdrawals.

Trading activities

Income from trading activities is derived from foreign exchange gains on the issuance and use of prepaid cards.

Interest operations

SBPS FL generates income from interest operations with prepaid card float. Prepaid card balances that have been activated but not used are referred to as float. The float is invested in Swiss francs, euros and US dollars in fixed-term deposits and current accounts.

Accounting and Valuation Policies

Basis and principles

Accounting and valuation are in line with the provisions of the Liechtenstein Persons and Companies Act (PGR), E-Money Act (EGG) and its associated ordinance, and other accounting-related guidelines of the Financial Market Authority (FMA) Liechtenstein. The annual financial statements have been prepared in accordance with statutory regulations and generally accepted accounting principles. They present a true and fair view of the company's net assets, financial position and financial performance.

Closing date

The closing date for the balance sheet is 31 December 2019. The income statement covers the period from 1 January to 31 December 2019.

Recording of transactions

All transactions concluded up to the reporting date are recorded in the accounts of the electronic money institution and accounted for in accordance with the defined valuation principles.

Foreign currency translation

Receivables and liabilities in foreign currencies are valued at the year-end price. Resulting exchange rate gains and losses are recognised in the income statement. All transactions are valued at the relevant day's rate.

The following exchange rates prevailed on the reporting date:

	2019	2018
EUR	1.0846	1.1268
USD	0.9678	0.9845

Amounts due from banks

These are recognised at their nominal value or at the acquisition cost. Individual value adjustments are made for identifiable risks in accordance with the principle of prudence.

Accruals and deferrals

Accruals and deferrals serve both to accurately ascertain assets and debts as at the reporting date and to ensure that expenses and income accrued in that period are recognised in the income statement.

Value adjustments and provisions

Individual value adjustments and provisions are made for all risks identifiable on the reporting date in accordance with the principle of prudence.

Taxes are calculated on the basis of the result for the reporting year, and a provision is created for them.

Risk management

In line with the service level agreement between SBPS and SBPS FL and the regulations on the consolidated monitoring of the SBPS Group, risk policy/risk control is carried out by SBPS in accordance with the SBPS organisational and business regulations and the applicable provisions of the SBPS Group's risk limits concept. At the Group level, risk control reports to the management and the Board of Directors in accordance with SBPS's risk limits concept.

Default and country risks

Default risks are limited by risk distribution and quality requirements. A risk-oriented allocation of responsibilities has been established for the approval of exposures with default risks. Limits and rating requirements are subject to regular monitoring.

Country risk refers to the risk of a loss resulting from country-specific events. Country risks are actively and dynamically managed and are mainly concentrated in Western Europe (especially Switzerland).

Interest rate risks

SBPS FL does not pay interest on deposits (card balances). Interest rate changes are therefore reflected exclusively in the result from interest operations.

Other market risks

Foreign currency risks result from obligations arising from the business with prepaid cards in euros and US dollars. These risks are minimised at the Group level by concluding largely congruent currency transactions.

Liquidity risks

Liquidity is monitored and managed on a daily basis.

Personnel risks

SBPS FL manages personnel risks in a preventive manner by means of a qualified personnel evaluation process and institutionalised management tools. Background checks are performed prior to and during the term of employment.

Remuneration is set in accordance with the Group's guidelines and customary market terms. The fixed, non-performance-related component of remuneration is paid in 13 monthly salary tranches. A variable remuneration component (e.g. bonus) may be paid out additionally. As a result, variable remuneration and incentives are not dependent on the taking of disproportionately high risks.

Information Concerning the Balance Sheet

(in CHF thousand)

	Balance as at 31/12/2018	Use in conformity with designated purpose	Recoveries, past due interest, currency differences	New provisions charged to income	Releases to income	Balance as at 31/12/2019
VALUE ADJUSTMENTS AND PROVISIONS						
Provisions for taxes and deferred taxes	38	32		37		43
Total value adjustments and provisions	38	32		37		43
less value adjustments	0	0		0		0
Total provisions as per balance sheet	38	32		37		43

(in CHF thousand)

	Amounts due from 2019	Amounts due to 2019	Amounts due from 2018	Amounts due to 2018
AMOUNTS DUE FROM/TO AFFILIATED COMPANIES, COMPANIES WITH WHICH A SHAREHOLDING RELATIONSHIP EXISTS, HOLDERS OF QUALIFIED PARTICIPATIONS AS WELL AS LOANS TO MEMBERS OF GOVERNING BODIES AND TRANSACTIONS WITH RELATED PARTIES				
Indirect holders of qualified participations	1,185	0	863	0
Direct holders of qualified participations	205	491	221	555
Transactions with members of governing bodies	0	0	0	0

SBPS FL engages in transactions with SBPS and holders of qualified participations thereof that are customary in the sector and are entered into under arm's length terms. No loans have been made to members of governing bodies.

(in CHF thousand)

	At sight	Cancellable	Due within 3 months	Due within 3 to 12 months	Due within 1 to 5 years	Due after 5 years	No maturity	Total
MATURITY STRUCTURE OF ASSETS, LIABILITIES AND PROVISIONS								
Amounts due from banks	2,724	1,000	0	1,548	6,338	0	0	11,610
Amounts due from customers	13	0	0	0	0	0	0	13
Other assets	100	0	5	35	0	0	0	140
Total assets, current year	2,837	1,000	5	1,583	6,338	0	0	11,763
Total assets, previous year	2,456	1,000	2,260	2,011	3,254	1,000	0	11,981
<hr/>								
Amounts due to banks	496	0	0	0	0	0	0	496
Amounts due to customers	8,180	0	0	0	0	0	0	8,180
Provisions	0	0	0	43	0	0	0	43
Other liabilities	0	0	32	4	0	0	0	36
Total liabilities and provisions, current year	8,676	0	32	47	0	0	0	8,755
Total liabilities and provisions, previous year	9,241	0	31	43	0	0	0	9,315

(in CHF thousand)

	Total par value 2019	No. of shares 2019	Capital eligible for dividend 2019	Total par value 2018	No. of shares 2018	Capital eligible for dividend 2018
SHARE CAPITAL						
Share capital (registered shares)	450	450	450	450	450	450

	Nominal 2019 (in CHF thousand)	Share 2019 (in %)	Nominal 2018 (in CHF thousand)	Share 2018 (in %)
MAJOR SHAREHOLDERS				
Direct (with voting rights):				
Swiss Bankers Prepaid Services Ltd, Grosshöchstetten	450	100	450	100

Major shareholders of SBPS are disclosed on page 46.

(in CHF thousand)

STATEMENT OF CHANGES IN EQUITY

Equity at start of current year

Share capital paid in	450
+ Statutory reserves	45
+ Other reserves	1,865
+ Distributable profit	306
Total equity at start of current year	2,666
- Dividends and other distributions from the previous year's profit	0
+ Profit for the current year	342
Total equity at end of current year	3,008
<i>thereof share capital paid in</i>	450
<i>thereof statutory reserves</i>	45
<i>thereof other reserves</i>	2,165
<i>thereof distributable profit</i>	348

Information Concerning the Income Statement

(in CHF thousand)

	2019	2018
RESULT FROM FINANCIAL TRANSACTIONS		
Foreign exchange gains from card products	297	267
Total result from financial transactions	297	267

(in CHF thousand)

	2019	2018
PERSONNEL EXPENSES		
Wages and salaries	133	123
Social security contributions and contributions to pension schemes	25	17
<i>thereof for pension schemes</i>	14	14
Other personnel expenses	0	0
Total personnel expenses	158	140

(in CHF thousand)

	2019	2018
GENERAL AND ADMINISTRATIVE EXPENSES		
Office space expenses	26	26
Other operating expenses	184	156
Total general and administrative expenses	210	182



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To the General Meeting of
Swiss Bankers Prepaid Services (Liechtenstein) Ltd, Vaduz

Berne, 23 March 2020

Report of the statutory auditor on the financial statements

As statutory auditor, we have audited the accounting records, the financial statements (balance sheet, income statement, and notes, pages 54 to 61) and the annual report (page 53) of Swiss Bankers Prepaid Services (Liechtenstein) Ltd for the year ended 31 December 2019.

Board of Directors' responsibility

These financial statements and the annual report are the responsibility of the Board of Directors. Our responsibility is to express an opinion on these based on our audit. We confirm that we meet the legal requirements concerning professional qualification and independence.

Auditor's responsibility

Our audit was conducted in accordance with auditing standards promulgated by the Liechtenstein profession, which require that an audit be planned and performed to obtain reasonable assurance that the financial statements and annual report are free from material misstatement. We have examined on a test basis evidence supporting the amounts and disclosures in the financial statements. We have also assessed the accounting principles used, significant estimates made and the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position, the result of operations and the cash flows in accordance with Liechtenstein law. Furthermore, the accounting records, the financial statements and the annual report as well as the proposed appropriation of available earnings comply with Liechtenstein law and the Company's articles of incorporation.

Report on other legal requirements

The annual report corresponds to the annual financial statements and contains no significant incorrect information according to our assessment.

We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Stefan Fuchs
Certified Accountant
(Auditor in charge)

Adriano Guerra
Certified Accountant

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